



# STATE OF INDIANA

MICHAEL R. PENCE, Governor

## INDIANA EDUCATION EMPLOYMENT RELATIONS BOARD

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### **IEERB's 2016 LAST, BEST OFFER REQUIREMENTS**

#### **General Information**

If parties cannot ratify an agreement during mediation, they must exchange LBOs. LBOs must then be sent to IEERB at [impasse@ieerb.in.gov](mailto:impasse@ieerb.in.gov). Last, best offers must be compliant with IEERB format, information, and documents. IEERB shall review submitted LBOs to ensure that the LBO is in the required format and contains the required information and documents. Failure to substantially comply with the requirements of an LBO, or failure to provide format, information, or documents requested by IEERB during its review, could result in rejection of the submitted LBO and acceptance of the opposing party's LBO.

A school employer, or an exclusive representative who bargains with a school employer, that does not receive a DOE Certification pursuant to Indiana Code Section 20-29-6-12.5 (e.g., special education cooperatives and career centers) or for whom the LBO Requirements may need to be modified, may request a conference with IEERB staff in writing at any time from the start of formal bargaining until two weeks after a mediator appointment. After receiving a request, IEERB staff shall hold a conference with the parties to determine the funding mechanisms particular to the school employer. Within one week of the conference (or the issuance of the year's LBO requirements, whichever is later), IEERB staff shall issue a non-binding advisory opinion on the revenue available to the parties for use in their LBO and any modified LBO Requirements.

For parties with Party Estimate(s).<sup>1</sup> If one or two Party Estimate numbers were provided on the Bargaining Status Form: At Impasse, the parties should complete the LBO using each Party Estimate AND the DOE estimate. If no Party Estimate was provided, neither party should complete the applicable sections.

For more information, visit [www.in.gov/ieerb](http://www.in.gov/ieerb).

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<sup>1</sup> If a party would like to argue at fact-finding that the school employer's revenue available for bargaining from the school funding formula will be different than the Indiana Department of Education's ("DOE") Certification for general fund revenue pursuant to I.C. § 20-29-6-12.5(b) ("DOE Certification"), the party must list that amount on the Bargaining Status Form: At-Impasse Section. Failure of a party to list its estimated school funding formula revenue operates as a waiver to use a different number for the financial implication factor during fact-finding.

## **Instructions**

**PLEASE READ CAREFULLY AS THE REQUIREMENTS HAVE CHANGED.**

LBOs will now be in a three-part format. Each part is required. The addition is the LBO Overview, which must be filled out and submitted in the chart provided below.

- 1. LBO Overview**
- 2. Narrative (index completed then narrative attached)**
- 3. Exhibits (index completed then exhibits attached)**

An example is found on [www.in.gov/ieerb](http://www.in.gov/ieerb).

It is strongly recommended that the parties simultaneously submit the LBOs electronically and in a binder. Parties should label and divide all sections and exhibits with dividers clearly labelled with exhibits labelled and individually separated by dividers (e.g., LBO Overview, Narrative, Exhibit Index, Ex. 1A, Ex. 1B, Ex. 1C).

**Deficit financing will be based on fiscal year 2017 (July 1, 2016 – June 30, 2017).** Unless otherwise indicated, all financial information and documents listed below refer to those of the school employer.

This document lists only the required format, information, and documents (with some recommendations). The fact-finder may require additional information or documents. Ultimately, it is the parties' responsibility to prove why their LBO is the best solution for the impasse. **Therefore, parties are strongly encouraged to include any additional information or documents that support their LBO, and to provide clear analysis explaining their LBO.**

### **List of Abbreviations**

- ADM = average daily membership (student count)
- CBA = Teacher collective bargaining agreement
- CY = Calendar year: January 1 – December 31 of that year
- DOE = Indiana Department of Education
- DOE Certification = DOE certification of estimated general fund revenue available for bargaining from the school funding formula (state tuition support) pursuant to IC 20-29-6-12.5(b)
- DLGF = Indiana Department of Local Government Finance
- DLGF Certification = DLGF certification of general fund operating referendum amount pursuant to IC 20-29-6-12.5(b)
- From DOE = Available through DOE's online school finance report portal at: <http://www.doe.in.gov/finance/school-financial-reports>
- From Gateway = Available through DLGF's Gateway budget report portal: [https://gateway.ifionline.org/report\\_builder](https://gateway.ifionline.org/report_builder)
- FY = Fiscal year: July 1 of prior year – June 30 of current year (e.g., FY 2016 = July 1, 2015 – June 30, 2016)
- GF = School employer's general fund
- IAC = Indiana Administrative Code
- IEERB = Indiana Education Employment Relations Board
- IC = Indiana Code
- LBO = Last, Best Offers
- Party Estimate = A party's estimate of general fund revenue available for bargaining from the school funding formula (state tuition support) from the party's Bargaining Status Form: At Impasse
- Rec. = Recommended
- School Performance Base Increase = Base increase derived from School Performance Award Stipend
- School Performance Award = Annual performance grant for school years 2015-2016 and 2016-2017 distributed by DOE pursuant to IC 20-43-10-3
- Teacher = bargaining unit member
- Verification = Signed verification stating that all information is correct and that the LBO does not place the employer in deficit financing, as required by 560 IAC 2-4-3.1(b).

**[Party Name] LBO Overview Part I: Deficit Financing**

<b>Required Information Description</b>	<b>Required Information</b>	<b>Exhibits Supporting this Information</b>	<b>FOR IEERB USE ONLY</b>
<b>Total LBO cost<sup>2</sup></b>	\$	Ex. ____, Pg. ____	
Number of teachers <sup>3</sup> covered	#	Ex. ____, Pg. ____	
Total claimed FY 2017 GF revenue	\$	Ex. ____, Pg. ____	
FY 2017 DOE Certification	\$	Ex. ____, Pg. ____	
<i>(If applicable)</i> ½ CY 2016 DLGF Certification	\$	Ex. ____, Pg. ____	
<i>(If applicable)</i> ½ CY 2017 estimated GF operating referendum revenue	\$	Ex. ____, Pg. ____	
<i>(If applicable)</i> School Performance Award estimate	\$	Ex. ____, Pg. ____	
Other estimated GF miscellaneous revenue for FY 2017	\$	Ex. ____, Pg. ____	
Total budgeted FY 2017 GF non-LBO <sup>4</sup> expenses	\$	Ex. ____, Pg. ____	
Total amount to fund LBO <sup>5</sup>	\$	Ex. ____, Pg. ____	
Difference <sup>6</sup>	\$	Ex. ____, Pg. ____	

<sup>2</sup> This number includes **ALL** non-bargained salary, wages, and salary and wage related fringe benefits for all bargaining unit members for the proposed contract period, ***not increases*** from the prior year.

<sup>3</sup> As a reminder, teacher is defined as a bargaining unit member for purposes of these requirements.

<sup>4</sup> As of July 1, 2015, School Performance Awards (pursuant to IC § 20-43-10-3), School Performance Base Increases (pursuant to IC § 20-43-10-3), and Supplemental Master's Payments (pursuant to IC § 20-28-9-1.5(a)) are not bargainable, and therefore are not part of the CBA. As of July 1, 2016, supplemental payments for teaching advanced placement classes made pursuant to IC § 20-28-9-1.5(a) are not bargainable. These increases must be discussed. See IC §§ 20-28-9-1.5(a), 20-29-6-7, 20-43-10-3.

<sup>5</sup> Total claimed FY 2017 GF revenue - Total budgeted FY 2017 non-LBO GF expenses.

<sup>6</sup> Total Amount to Fund LBO - LBO cost.

**\*\*ONLY TO BE COMPLETED BY PARTIES WHERE A PARTY ESTIMATE WAS  
PROVIDED ON BARGAINING STATUS FORM: AT IMPASSE\*\***

**[Party Name] LBO Overview Part IA: Deficit Financing Overview Using Party Estimate**

<b>Required Information Description</b>	<b>Required Information</b>	<b>Exhibits Supporting this Information</b>	<b>FOR IEERB USE ONLY</b>
Party Estimate Calculation	\$	Ex. ____, Pg. ____	
Party estimate	\$	Ex. ____, Pg. ____	
Total claimed FY 2017 GF revenue	\$	Ex. ____, Pg. ____	
Total amount to fund LBO	\$	Ex. ____, Pg. ____	
Total amount to fund LBO using Party Estimate (instead of DOE certification) - LBO cost	\$	Ex. ____, Pg. ____	
Percentage of LBO cost compared to GF revenue (using Party Estimate)	%	Ex. ____, Pg. ____	

**[Party Name] LBO Overview Part II: Financial Trends**

<b>Required Information Description</b>	<b>Required Information</b>	<b>Exhibits Supporting this Information</b>	<b>FOR IEERB USE ONLY</b>
Percentage of LBO cost compared to GF revenue	%	Ex. ____, Pg. ____	
Percentage of FY 2016 teacher CBA cost compared to GF FY 2016 revenue	%	Ex. ____, Pg. ____	
<i>(Recommended)</i> Percentage of FY 2015 teacher CBA costs compared to FY 2015 GF revenue	%	Ex. ____, Pg. ____	
<i>(Recommended)</i> Percentage of FY 2014 teacher CBA costs compared to FY 2014 GF revenue	%	Ex. ____, Pg. ____	

**[Party Name] LBO Overview Part III: ADM**

<b>Required Information Description</b>	<b>Required Information</b>	<b>Exhibits Supporting this Information</b>	<b>FOR IEERB USE ONLY</b>
( <i>Rec.</i> ) September 2013	#	Ex. ____, Pg. ____	
( <i>Rec.</i> ) February 2014	#	Ex. ____, Pg. ____	
( <i>Rec.</i> ) September 2014	#	Ex. ____, Pg. ____	
( <i>Rec.</i> ) February 2015	#	Ex. ____, Pg. ____	
September 2015	#	Ex. ____, Pg. ____	
February 2016	#	Ex. ____, Pg. ____	
May 2016 (estimate)	#	Ex. ____, Pg. ____	
<b>Current ADM (September 2016)</b>	#	Ex. ____, Pg. ____	
February 2017 (projected)	#	Ex. ____, Pg. ____	
September 2017 (projected)	#	Ex. ____, Pg. ____	
( <i>Rec.</i> ) February 2018 (projected)	#	Ex. ____, Pg. ____	
( <i>Rec.</i> ) September 2018 (projected)	#	Ex. ____, Pg. ____	

**[Party Name] LBO Overview Part IV: Budget History of General Fund**

<b>Required Information</b>	<b>FY 2017 (est.)</b>	<b>FY 2016</b>	<b>FY 2015 (rec.)</b>	<b>Exhibits Supporting this Information</b>	<b>FOR IEERB USE ONLY</b>
Budget Amount	\$	\$	\$	Ex. ____, Pg. ____	
Revenue	\$	\$	\$	Ex. ____, Pg. ____	
Expenses	\$	\$	\$	Ex. ____, Pg. ____	
Teacher Budget	\$	\$	\$	Ex. ____, Pg. ____	
Teacher Expenses	\$	\$	\$	Ex. ____, Pg. ____	
Non-Teacher Budget	\$	\$	\$	Ex. ____, Pg. ____	
Non-Teacher Expenses	\$	\$	\$	Ex. ____, Pg. ____	
<i>(Rec. if app.)</i> Additional Appropriation Amounts	\$	\$	\$	Ex. ____, Pg. ____	
<i>(Rec. if app.)</i> Tax Anticipation Warrant Amounts	\$	\$	\$	Ex. ____, Pg. ____	



**[Party Name] NARRATIVE INDEX**

<b>Required Information</b>	<b>Page of Narrative Where Information Found</b>	<b>Exhibits Supporting this Information (including page numbers where appropriate)</b>	<b>FOR IEERB USE ONLY</b>
Summary of Proposed CBA	Pg. ____	Ex. ____	
( <i>If app.</i> ) Summary of Agreed Sections of CBA	Pg. ____	Ex. ____	
Explanation of why LBO is in the public interest	Pg. ____	Ex. ____	
Explanation of the Fiscal Rationale/Financial Implication of the LBO	Pg. ____	Ex. ____	
Summary of current teacher salary, wages, and benefit amounts (recommended October 1, 2016, or later)	Pg. ____	Ex. ____	
Summary and explanation of any current non-bargained teacher salary increases (see footnote 3)	Pg. ____	Ex. ____	
Summary and explanation of proposed teacher salary, wages, and benefit amounts, including any non-bargained increases	Pg. ____	Ex. ____	
( <i>Rec.</i> ) Summary and explanation of changes between FY 2016 GF revenues and expenditures and estimated FY 2017 GF revenues and expenditures	Pg. ____	Ex. ____	
Explanation of percentage of LBO cost to GF revenue, including reason(s) for any change(s) from prior year(s)	Pg. ____	Ex. ____	
Explanation of ADM projections	Pg. ____	Ex. ____	
Description of changes, trends, or unique features of district/budget relevant to the fiscal rationale/financial implication of the LBO	Pg. ____	Ex. ____	
Changes from prior CBA	Pg. ____	Ex. ____	
Explanation of changes from prior CBA	Pg. ____	Ex. ____	
Salary, wages, and benefits of other employees doing comparable work	Pg. ____	Ex. ____	
Explanation of similarities/differences between LBO and comparables	Pg. ____	Ex. ____	

**[Party Name] EXHIBITS**

Exhibits must be named and numbered as listed below. Additional exhibits should be placed in the appropriate category and numbered sequentially (e.g., Fall 2016 ADM - Ex. 3E)

Category	Name (These exhibits must be identified exactly as described.)	No.	IEERB Use Only
1. Proposed CBA	Proposed CBA <sup>7</sup>	1A	
	560 IAC 2-4-3.1(b) Verification	1B	
	Redlined CBA (compared with prior CBA)	1C	
	Any CBAs between the parties since 2011	1D	
	( <i>Rec.</i> ) Agreements (including MOUs) between the parties prior to 2011	1E	
2. CY 2017 Financial Information	GF Budget Estimate (DLGF Budget Form 1) OR Line-Item Budget Estimate Report (from Gateway)	2A	
	GF Estimate of Miscellaneous Revenue (DLGF Budget Form 2) OR Estimate of Miscellaneous Revenue Report (from Gateway)	2B	
	GF Budget Estimate – Financial Statement – Proposed Tax Rate (DLGF Budget Form 4b OR report from Gateway)	2C	
	( <i>If app. due to a referendum</i> ) County auditor certification 2015 pay 2016 net assessed values pursuant to IC 6-1.1-17-1	2D	
	( <i>Rec.</i> ) Current Year Financial Worksheet (DLGF Form, formerly Line 2 Worksheet)	2E	
	( <i>Rec.</i> ) GF Budget Report (DLGF Budget Form 4a) OR Budget Summary (from Gateway)	2F	
3. FY 2017 Financial Information	DOE Certification	3A	
	List of current teacher salary, wages, and benefit amounts	3B	
	List of proposed teacher salary, wages, and benefit amounts	3C	
	( <i>Rec.</i> ) 2016 Basic Grant Monthly Distribution (no earlier than October 1, 2016) (DOE form DOESA545, formerly DPI54)	3D	
4. CY 2016 Financial Information	( <i>If app.</i> ) DLGF Certification	4A	
	Monthly financial report showing current GF revenue and expenses by line item ( <i>rec.</i> Oct. 1, 2016 or later)	4B	
	( <i>Rec.</i> ) DLGF 1782 Notice, including any changes OR Certified GF budget by line item	4C	
5. FY 2015 Financial Information	GF Budget Report (DLGF Budget Form 4a) OR Budget Summary (from Gateway)	5A	

<sup>7</sup> The parties are strongly encouraged to use IEERB's rubric as well as the findings and comments in the compliance report for the prior CBA to ensure compliance of the proposed CBA.